

**STATE AGRICULTURE DEVELOPMENT COMMITTEE**

**POLICY**

**VALUATION OF PERMITTED EXCEPTIONS**

**I. Purpose:**

To provide a method of valuing permitted exceptions from the premises of pending applications.

**II. Authority:**

**N.J.A.C. 2:76-6.8 (b)**

**III. Supersedes:**

Policy P-23 dated 12/15/88

**IV. Policy:**

Exceptions are portions of the applicant's land holdings which are not to be encumbered by the deed restrictions. A formal subdivision is not needed to except a portion of property however, a specific description is needed. It is recognized that certain portions. Furthermore, appraising a portion of a property without considering the ENTIRE property may not truly represent the whole situation thus skewing value.

Therefore, when appraising properties from which exceptions are to be withheld, the appraiser is directed to appraise the entire land parcel first, INCLUDING the area to be excepted. The appraiser shall then allocate value to the respective areas of the property (excepted area and area to be encumbered.) Finally, the value allocated to the expected portion, as it contributes to the whole property, shall be deducted from the total value estimate thus yielding the value for the portion to be restricted.

This methodology shall be followed to estimate both the market value (before) and the market value restricted (after) for the lands to be encumbered by the development easement.

In situations where a minor tax parcel (such as a house lot) is under the same ownership as the property to be encumbered but is not to be deed restricted, the appraiser shall include the minor parcel in his/her valuation. The decision to include the minor parcel in the appraisal is a judgment made by the appraiser based on whether or not the minor parcel would typically be sold together with the parcel to be encumbered and if so, whether or not the minor parcel would enhance the value of the encumbered parcel.

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